

APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

GENERAL SECTIONS PART 2: BOILERPLATE DETAIL
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2013 PA 59

GENERAL SECTIONS OF BOILERPLATE

Section Number	Description and History
201(1)	<p><u>Total State Spending in Part 1.</u> Reports estimated total State spending of \$2,866,751,600 and estimated payments to locals of \$1,303,826,600 from appropriations made in Part 1 of the General Governmental budget.</p> <p>Background: This subsection states the total state spending from State resources contained in Part 1 of the bill. It also lists the total payment to local units of government in Part 1 by department. This is a standard boilerplate section contained in all appropriation bills pursuant to 1984 PA 431. The statutory reference is MCL 18.1367.</p>
201(2)	<p><u>Total Statewide State Spending.</u> Reports estimated total State spending and payments to locals for all appropriation acts. Statewide across all budgets, it is estimated that total State spending from State resources is \$29,815,416,700 in FY 2013-14. Statewide payments to locals are estimated at \$15,790,923,500 which is 53.6% of the total State spending from State resources.</p> <p>Background: Section 367 of 1984 PA 431 requires that one appropriation bill contain a statement of estimated State spending to be paid to local units of government, total State spending from State resources, and the State-local proportion derived from that data. Article IX, Section 30 of the Constitution requires that "The proportion of total State spending paid to all units of local government, taken as a group, shall not be reduced below that proportion in effect in fiscal year 1978-79." The minimum proportion of total State spending that must be paid to local governments is 48.97%.</p>
201(3)	<p><u>Actual State Spending Reporting.</u> Requires reporting of actual total State spending and payments to locals within 30 days of book closing.</p> <p>Background: First included in FY 1995-96. This information is also required under MCL 18.1386, which requires the State Budget Director to prepare a Monthly Financial Report.</p>
202	<p><u>Management and Budget Act.</u> States that appropriations authorized under this Act are subject to the Management and Budget Act (1984 PA 431).</p> <p>Background: This is a standard section contained in all appropriation bills. The first version of this section was contained in the FY 1981-82 General Government Appropriation Bill. The former section provided that appropriations were subject to Act 18 of 1981. Act 18 was repealed by 1984 PA 431.</p>
203	<p><u>Definitions.</u> Lists definitions of acronyms used in the General Government article.</p> <p>Background: This is a standard section contained in all appropriation bills.</p>
206	<p><u>Transparency Website.</u> Requires departments and agencies to maintain a searchable website accessible to the public at no charge that includes information on expenditures by category, by appropriation unit, and payments to vendors, active employees by job classification, and job specifications and wage rates. Requires quarterly updates.</p> <p>Background: First included in FY 2011-12. Requirement for quarterly updates added in FY 2012-13.</p>

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208	<p><u>Internet Reports.</u> Requires use of the Internet to fulfill reporting requirements unless otherwise specified. Reports may be distributed by electronic mail or placed on an internet or intranet site.</p> <p>Background: First included in FY 1999-2000.</p>
209	<p><u>Buy American Intent Language.</u> Prohibits use of funds for purchase of foreign goods or services if competitively priced and comparable quality American goods or services are available. Provides that preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. Also includes a preference for doing business with Michigan businesses owned and operated by veterans.</p> <p>Background: A version of this section was first included in FY 1992-93. The FY 2004-05 budget added language providing a preference for Michigan products.</p>
210	<p><u>Deprived and Depressed Communities.</u> Requires department directors to take all reasonable steps necessary to ensure businesses in deprived and depressed communities compete for and perform State contracts.</p> <p>Background: A version of this section was first included in FY 1991-92.</p>
211	<p><u>Budget and Stabilization Fund (BSF).</u> Shows the calculation used to determine if a General Fund appropriation to the Countercyclical Budget and Economic Stabilization Fund is required pursuant to Section 352 of the Management and Budget Act, MCL 18.1352 and to determine the eligible amount that may be withdrawn. In FY 2013-14, there is no pay-in required to the BSF. The section requires an appropriation of \$75.0 million GF/GP to the BSF in FY 2013-14.</p> <p>Background: The Budget Stabilization Fund was created by Public Act 76 of 1977. A statutory formula based on growth in Michigan personal income determines the amount to be deposited or withdrawn. This calculation is shown each year in the General Government bill. The transfer is not automatic, however. Pursuant to Attorney General Opinion 5204 of 1977, any transfer to the BSF must be by specific appropriation. The calculation was revised in FY 2013-14 to show both the projected pay-in and pay-out from the BSF and to align the calculation with the requirements of the Management and Budget Act which requires three years of estimates. The history of deposits and withdrawals to this fund is shown below:</p>

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ECONOMIC AND BUDGET STABILIZATION FUND TRANSFERS, EARNINGS, AND FUND BALANCE FY 1995-96 TO FY 2013-14 (Millions of Dollars)				
Fiscal Year	Pay-In	Interest Earned	Pay-Out	Fund Balance
1995-96	\$91.3	\$59.2	\$0.0	\$1,153.6
1996-97	0.0	67.8	69.0	1,152.4
1997-98	0.0	60.1	212.0	1,000.5
1998-99	244.4	51.2	73.7	1,222.5
1999-00	100.0	73.9	132.0	1,264.4
2000-01	0.0	66.7	337.0	994.1
2001-02	0.0	20.8	869.8	145.1
2002-03	0.0	1.8	147.0	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	2.0	81.3	2.0
2005-06	0.0	0.1	0.0	2.0
2006-07	0.0	0.1	0.0	2.1
2007-08	0.0	0.1	0.0	2.2
2008-09	0.0	0.0	0.0	2.2
2009-10	0.0	0.0	0.0	2.2
2010-11	0.0	0.0	0.0	2.2
2011-12	362.7	0.0	0.0	364.9
<u>Estimates:</u>				
2012-13	140.0	3.6	0.0	508.6
2013-14	75.0	5.1	0.0	588.6
Source: SFA, as of September 2013				

211b **Roads and Risks Reserve Fund.** Creates the Roads and Risks Reserve Fund in Treasury. Appropriates \$230.0 million GF/GP to the new fund in FY 2013-14. Requires that funds can only be used upon appropriation. One-half of the reserve is available for appropriation for roads on October 1, 2013. There is a statement of intent that the remaining funds become available for appropriation for roads effective February 1, 2014, if the fund has not been appropriated previously for another purpose. The earnings on the Roads and Risks Reserve Fund are deposited in the General Fund. The Roads and Risks Reserve Fund carries forward into the next fiscal year and does not lapse to the General Fund.

Background: New in FY 2013-14. The budget for the Michigan Department of Transportation contains a one-time appropriation of \$115.0 million in FY 2013-14 from the Roads and Risk Reserve Fund for the Priority Roads Investment Program. 2013 PA 107 (the Healthy Michigan or Medicaid expansion act) contains intent language that up to \$193.0 million of the savings from Medicaid expansion as determined according to PA 107 would be deposited into the Roads and Risk Reserve Fund.

212 **Retention of Reports.** Requires departments and agencies receiving appropriations under this Act to receive and retain copies of all reports funded in the Act. Federal and State guidelines for retention of records shall be followed.

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	<p>Background: First included in FY 1999-2000. This section was the result of an experience in which a specific report was not given to a Legislator.</p>
213	<p><u>Casino Investment.</u> Prohibits use of funds appropriated in Part 1 from being used by a department or agency to purchase an ownership interest in a casino as defined in the Michigan Gaming Control and Revenue Act, MCL 432.201 to 432.226.</p> <p>Background: First included in FY 1997-98. The original intent was to prevent the State from stepping in if any of the Detroit casinos were having financial trouble. The Bureau of Investments has no direct investment in a casino. They will not purchase more than a 5% interest in a Limited Liability Partnership with a casino interest, as provided by the Michigan Gaming Control and Revenue Act. If companies are a part of the S&P 500 Index or the Midcap Index, then the Bureau of Investments will consider a purchase of stock.</p>
215	<p><u>Communications with Legislators.</u> Prohibits disciplinary action against department employees for communicating with Legislators or their staff.</p> <p>Background: This section was first included in FY 2002-03. It originated with the Senate version of the bill and now is included in other appropriation bills.</p>
216	<p><u>Out-of-State Travel.</u> Requires quarterly reports of each travel occurrence by fund source.</p> <p>Background: First included in FY 2004-05 as a prohibition on out-of-state travel unless exceptions were approved by the State Budget Director and a reporting requirement. Modified in FY 2012-13 to a reporting requirement only.</p>
217	<p><u>General Fund Expenditures.</u> Prohibits use of General Fund appropriations in cases where Federal funding is available for the same expenditures.</p> <p>Background: First included in FY 2004-05.</p>
219	<p><u>Department Scorecards.</u> Requires departments and agencies to maintain a publicly accessible website a scorecard that identifies, tracks, and updates key metrics to monitor and improve performance.</p> <p>Background: New in FY 2013-14. First proposed by the Governor.</p>
221	<p><u>Policy Change Reporting Requirement.</u> Requires each department to report by April 1 on each specific policy change made to implement enacted legislation.</p> <p>Background: First included in FY 2007-08.</p>
226	<p><u>Legal Services.</u> Prohibits the use of funds by a principal department, State agency, or authority to hire attorneys to perform duties that are the responsibility of the attorney general. The language excludes bond counsel and activities authorized by the attorney general.</p> <p>Background: First included in FY 2007-08.</p>
227	<p><u>Report of Fund Balances.</u> Requires that within 14 days of the release of the executive budget recommendation, the departments and agencies should work with the State Budget Director to provide an annual report on estimated State Restricted fund balances, revenues, and spending by restricted funds for FY 2012-13 and FY 2013-14.</p> <p>Background: First included in FY 2011-12.</p>
228	<p><u>Lapse Report.</u> Requires each department or agency to submit a report of estimated general fund/general purpose year-end lapses by November 30.</p>

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	<p>Background: First included in FY 2008-09. In FY 2011-12 the report date was moved from October 15 to November 15. The report date was moved to November 30 in FY 2013-14.</p>
229	<p><u>Audit Savings.</u> Requires a department or agency to report on efforts to implement savings or efficiencies identified by an audit completed by The Office of the Auditor General. The report is due within 6 months of the release of the audit.</p> <p>Background: This section was added by the House in FY 2010-11.</p>
231	<p><u>Intent Language on FTE spending Limits and Required Reports.</u> States legislative intent that departments and agencies properly account for their spending and not use classified positions as placeholders for spending in other parts of the budget. Requires a report on February 1 of the number of filled, full-time equated positions in pay status during the preceding fiscal year. The report must include the number of filled FTE positions in pay status by line item for the last pay period of each quarter. The report also must list the funded FTE positions by position title.</p> <p>Background: This Section was added by the House in FY 2012-13.</p>
235	<p><u>Request for Information (RFI) or Request for Qualifications (RFQ).</u> Requires that prior to issuing any request for proposal (RFP) for a contract of \$5.0 million or more, each department or agency must first consider issuing an RFI or RFQ to evaluate the market relative to the RFP under development. Prior to issuing the RFP, each department or agency must notify the Department of Management and Budget of the evaluation used to determine if an RFI or RFQ was necessary or not.</p> <p>Background: The initial version of this language was added by the Senate in FY 2013-14. Conference adopted a modified version of the Senate proposal.</p>